

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 TRSE-00 COME-00 CTME-00

STR-07 CIAE-00 INR-10 NSAE-00 MMO-01 /052 W

-----034599 152250Z /73

R 140940Z JUL 78

FM AMEMBASSY ROME

TO SECSTATE WASHDC 4203

INFO AMEBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMMBASSY LONDON 2161

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

USMISSION GENEVA

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USEEC ALSO FOR EMBASSY

E.O. 11652 N/A

TAGS: ETRD, EIND, IT

SUBJECT: TRIGGER PRICE MECHANISM - SPECIAL "FOREIGN INDUSTRY

QUESTIONNAIRE"

REF: A) STATE 172386 B) STATE 157105

SUMMARY. MISSION HAS MADE SUBSTANTIAL EFFORT TO ASCERTAIN FEASIBILITY OF OBTANING NOT ONLY CONSIDERABLE AMOUNT OF DATA REQUESTED IN REFTEL B, BUT OUR ABILITY TO PROVIDE SUFFICIENTLY ACCURATE AND TIMELY TO USE AS YARDSTICK FOR INITIATING ANTI-DUMPING INVESTIGATIONS.

THIS INTERIM MESSAGE SETS FORTH OUR PRELIMINARY ASSESSMENT IN THIS REGARD. ALL PUBLISHED MATERIALS REFERRED TO BELOW ARE IN THE
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ITALIAN LANGAUAGE. END SUMMARY.

1. PRODUCTION. MONTHLY STATISTICS ON PRODUCTION OF PIG IRON, CRDUE STEEL, HOT ROLLED PRODUCTS, OTHER FINISHED STEEL AND FERRO ALLOYS ARE PUBLISHED IN BULLETIN OF ITALIAN STATISTICAL INSTITUTE (ISTAT) AND FURNISHED WASHINGTON UNDER CERP PUBLICATION PROGRAM, ITEM NO. 27. TIME-LAG IS SIX MONTHS, I.E. JANUARY FIGURES ARE

AVAILABLE IN JULY. ITALIAN NATIONAL ASSOCIATION OF STEEL PRODUCERS (ASSIDER) PUBLISHES MORE DETAILED PRODUCTION STATISTICS IN ITS MONTHLY STATISTICAL REPORT, WHICH UNDER CERP ITEM NO. 12. HOWEVER, ASSIDER ALSO PUBLISHES MORE TIMELY FIGURES IN ITS MONTHLY BULLETIN (ONE MONTH TIME-LAG) ON THREE CATEGORIES, I.E. PIG IRON, STEEL AND FERRO ALLOYS, AS WELL AS AN ANNUAL STATISTICAL ABSTRACT THAT PROVIDES QUARTERLY PRODUCTION FIGURES FOR STEEL ONLY. THESE ARE PUBLISHED IN JUNE OR JULY FOR THE PREVIOUS CALENDAR YEAR. LATTER TWO ASSIDER PUBLICATIONS NOT REPEAT NOT SENT DEPARTMENT UNDER CERP PROCUREMENT BUT CAN BE ADDED IF DESIRED. SAMPLE PUBLICATIONS BEING POUCED TREASURY PER PARAGRAPH 3 OF REFTEL B.

2. PRICES. INFORMATION ON CURRENT LOCAL MARKET PRICE OF IRON AND STEEL PRODUCTS IS PUBLISHED WEEKLY IN "WHOLESALE PRICE LISTS" COMPILED BY CHAMBERS OF COMMERCE IN VARIOUS PROVINCES, INCLUDING PRINCIPLE MARKETING CENTERS ROME, MILAN, GENOA, TURIN AND NAPLES. PRODUCT CLASSIFICATION VARY FROM U.S. SCHEME IN SEVERAL RESPECTS. IN ADDITION, MILAN-BASED ASSOCIATION OF DEALERS IN IRON AND STEEL PRODUCTS (ASSOFERMET) PUBLISHES SEMI-MONTHLY BULLETIN ON IRON AND STEEL MARKET AND ON PRICES OF PRINCIPLE PRODUCTS. THIS PUBLICATION ALSO INCLUDES INFORMATION ON STEEL MARKET TRENDS FROM VIEWPOINT OF DEALERS. SAMPLES OF BOTH FOREGOING PUBLICATIONS BEING POUCED TO TREASURY AND CAN BE ADDED TO PUBLICATIONS PROCUREMENT IF DESIRED.
INFORMATION RE QUANTITIES SOLD FOR COMPILATION OF WEIGHTED AVERAGES
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REQUESTED REFTEL B IS NOT AVAILABLE IN PUBLISHED FORM.

3. COST OF PRODUCTION. ELEMENTS OF COST AS LISTED REFTEL B ARE DEVELOPED BY EACH COMPANY AND TREATED AS CONFIDENTIAL. PRIOR ATTEMPTS BY U.S. CUSTOMS REPS TO OBTAIN HOME MARKET VALUE AND OTHER INFORMATION ON CERTAIN STEEL PRODUCTS HAVE PROVEN FRUITLESS DUE TO STALLING TACTICS BY COMPANIES CONCERNED. WE DO NOT BELIEVE THIS INFORMATION CAN BE OBTAINED ON PREScribed RE-PETITIVE BASIS. AT BEST, APPROACH AT TOP LEVEL COUPLED WITH IMPENDING ANTI-DUMPING MIGHT PRODUCE COST DATA IN SPECIFIC INSTANCES.

4. CLASSIFICATION OF STEEL PRODUCTS. IN ITALY, CLASSIFICATION INTO VARIOUS CATEGORIES IS BASED ON DESIGNATIONS DEVELOPED BY ENTE ITALIANO D'UNIFICAZIONE OF MILAN (UNI). THE ITALIAN EQUIVALENT OF U.S. BUREAU OF STANDARDS. A LISTING OF THESE DESIGNATIONS WITH CITATION OF APPLICABLE UNI SPECIFICATIONS IS PUBLISHED ANNUALLY BY UNSISIDER, ORGANIZATION RESPONSIBLE FOR IRON AND STEEL STANDARDS. COPY OF FOREGOING LISTING WILL BE POUCED SEPARATELY FROM MILAN.

5. CONCLUSION: IN VIEW OF STRICTURES AGAINST FORMAL APPROACH TO

COMPANIES, INDUSTRY ASSOCIATIONS AND GOVERNMENT AGENCIES (REF A)
AND PRIOR LACK OF SUCCESS IN PERSUADING COMPANIES TO PROVIDE
INFORMATION INFORMALLY OR FORMALLY TO U.S. CUSTOMS REPS, IN-
FORMATION DESCRIBED BY WASHINGTON WILL IN LARGE PART HAVE TO BE
GLEANED, IN COMPLETE FORM, FROM VARIOUS PUBLICATIONS LISTED
ABOVE. IN EFFORT OBTAIN MORE COMPLETE PROCESS TO MARKET
RESEARCH FIRM, BUT INFORMAL INQUIRIES HAVE INDICATED THAT MOST
STEEL COMPANIES HAVE "IN-HOUSE" RESEARCH DEPARTMENT FOR THESE
MATTERS. ALTERNATIVELY, EC BRUSSELS MIGHT WISH TO DETERMINE
WHETHER EC COLLECTS COST DATA FROM MEMBER COUNTRIES THAT MIGHT
BE ACQUIRED FROM SINGLE SOURCE; HOWEVER, WE UNDERSTAND EC DATA
COLLECTION ON PRICES AND COSTS OF PRODUCTION RELATE MAINLY TO
NON-EC COUNTRIES.

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6. ACTION REQUESTED: UPON RECEIPT BY CUSTOMS STEEL TASK FORCE
OF MATERIAL DESCRIBED ABOVE, EMBASSY WOULD APPRECIATE GUIDANCE
AS TO UNIT INFORMATION SHOULD BE SUBMITTED ON CONTINUING BASIS
AND WHETHER ANY OF RAW MATERIAL CONTAINED IN THESE PUBLICATIONS
SHOULD BE TRANSLATED OR PROCESSED INTO END-USER FORMAT. IF
SUCH IS CASE, DEPENDING ON AMOUNT OF WORK INVOLVED, EMBASSY
MAY SEEK WASHINGTON CONCURRENCE IN LIMITING OTHER ACTIVITIES.

7. THIS MESSAGE HAS BEEN COORDINATED WITH CONSISTITUENT POSTS IN
ITALY AS WELL AS WITH U.S. CUSTOMS REP. GARDNER

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INDUSTRY, QUESTIONNAIRE, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 14 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ROME12962
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780291-0681
Format: TEL
From: ROME USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780759/aaaabxic.tel
Line Count: 146
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: bee80773-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 172386, 78 STATE 157105
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2002896
Secure: OPEN
Status: NATIVE
Subject: TRIGGER PRICE MECHANISM - SPECIAL \"FOREIGN INDUSTRY QUESTIONNAIRE\"
TAGS: ETRD, EIND, IT
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/bee80773-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014